

INTRODUCTION

The Oceana County Friend of the Court (FOC) had a contract with the Michigan Family Independence Agency (FIA) to enforce all orders of support over which the Oceana County FOC had jurisdiction, to locate absent parents, and to provide certain reports on child support collections to the FIA. Oceana County FOC billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Oceana County for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Oceana County FOC for the period October 1, 2000 through September 30, 2001. We performed the audit tests that we determined were necessary to determine if the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Oceana County FOC did not escheat outstanding checks dated prior to May 31, 2001 as required by FOC letter 99-025. The General Ledger and Trial Balance were not posted up to date to reflect the amounts billed to FIA. Our report recommends that Oceana County FOC comply with the escheat policy as outlined in the FOC letter.

FOC RESPONSE

The FOC did not respond to the draft report.

FINDINGS

Escheating of Outstanding Checks.

1. Oceana County FOC did not escheat \$57,431 to the State of Michigan for outstanding checks over one year old. All outstanding checks dated prior to May 31, 2001 should be escheated to the State of Michigan.

WE RECOMMEND the Family Independence Services Administration ensure that the Oceana County FOC escheats \$57,431 to the State of Michigan.

Fringe Benefits not posted to the General Ledger/Trial Balance

2. Oceana County FOC did not have their general ledger (Transaction History Listing Report) and Trial Balance for the years ended December 31, 2000 and December 31, 2001 posted for the fringe benefits. The fringe benefit general ledger accounts show a zero balance while the billing reports show expenses incurred. An updated general ledger would provide the necessary audit trail for the FOC to monitor expenses and prepare their billings.

WE RECOMMEND the Family Independence Services Administration advise Oceana County FOC to maintain an updated general ledger and trial balance.